

To: Torsten Clausen, Illinois Commerce Commission (Torsten.Clausen@illinois.gov)

COMMENTS OF AARP

(RE: ICC WHITE PAPER REGARDING DOWNSTATE ENERGY RESOURCE ADEQUACY)

November 28, 2017

Dear Mr. Clausen:

On behalf of residential electricity consumers across the state and our 1.7 million members in Illinois, AARP is hereby submitting comments on the ICC's draft report on downstate electricity issues in preparation for the December 7 workshop.

We recommend a panel at the workshop which includes consumer group's views on the issue and the rate impact of any change. AARP would like to be on such a panel.

AARP supports the ICC's examination into the matter of adequate long-term resources at affordable prices for Illinois electricity consumers.

However, we oppose any legislative (such as SB 2250/HB 4141) and regulatory proposals that would unnecessarily raise electricity rates. This includes MISO's proposed three year capacity market (rejected last year) and subsequent efforts to artificially inflate electricity prices as well as the latest discussions about an Illinois fixed resource adequacy "mechanism" (aka FRAP).

Such mechanisms are unnecessary because Illinois and the region have a surplus of low cost power. Prices are not "volatile"--they are dropping. Illinois has the lowest residential electricity prices in the Midwest for the first time in 40 years.

Mechanisms such as new capacity charges also duplicate a subsidy plan already being considered by the Federal government known as the grid resiliency surcharge.

Most importantly, downstate consumers cannot afford additional charges (estimated at \$124 per year in the case of recent legislation). Low and fixed income residents in the state already struggle to pay their bills. Those on Social Security will receive a 2% COLA next year. More importantly, Illinois budget issues have and continue to mean higher taxes and fees for residents. Therefore, this is no time to artificially increase electricity prices.

The secret MISO letter to Governor Rauner should be disregarded. The out of state grid operator (with a voluntary membership) attempted to impose a three year capacity surcharge on Illinois last year despite objections from Illinois stakeholders (which was rejected by FERC in January).

We agree with the report's comment that MISO's resource adequacy survey frequently over-states any need for new resources. The report states that critics say [that](#) the report produces "unnecessarily alarming results and exaggerating possible capacity deficits".

As the report notes, it is "not a rigorous or independent forecast prepared by a third party using thoroughly vetted data and information..."

Instead, the ICC should commission a truly [independent](#) resource adequacy assessment before making any recommendations.

AARP opposes plans (including the proposals in HB 4141/SB2250) such as:

- inappropriately requiring the Illinois Power Agency to acquire long term capacity and requiring all electric load serving entities to use it. Such a requirement will raise rates and make it harder for customers to save on their electricity bill.
- inappropriately calculating the surcharge using northern Illinois higher electricity costs as a basis for a new capacity surcharge on downstate customers.
- use of MISO including as a data administrator. MISO is a voluntary organization. Illinois should not cede its electric rate policy decision making to this or any organization.
- giving MISO the authority to require FRAPs from ARES.

We look forward to the December 7 forum and ask that we be allowed to speak on this important topic.

Please contact Julie Vahling at (217) 213-7069 (jvahling@aarp.org) or Bill Malcolm (202) 746-7590 (wmalcolm@aarp.org) if we may be of assistance.

Cc:

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